



## ***ILIM - The week that was – WEEK 20*** (ending 15/05/2015)

**" We will either find a way, or make one." – Hannibal**

**Irish Inflation rate for April at four-and-a-half year low** – Irish CPI inflation fell to -0.7% in April, with prices falling 0.1% on the month which bucks the wider euro zone trend of a reduction in deflation. Ireland's inflation is the lowest since 2010. Excluding energy costs and mortgage interest, Irish CPI inflation was 0.4% in April.

**Greece repaid €750m IMF loan** – The Greece government repaid the €750 million back to the IMF that was due on 12<sup>th</sup> May but the Greek Finance Minister Yanis Varoufakis said that the sovereign now has less than two weeks of cash remaining. Negotiations continue on the €7.2bn of fresh funding that Greece is looking for.

**Euro hits highest rate against the dollar since late February** – The euro was trading last week at \$1.141 against the dollar, its strongest level since late February. The catalyst was US retail sales data, up just 0.1%, well below expectations of a 0.5% gain. The Federal Reserve may delay interest rate hikes as a result.

**Eurozone growth higher than U.S. and U.K. in Q1 2015** – The Eurozone economy grew by 0.4% in the first three months of 2015 compared to growth of nearly 0.2% in the U.S. and 0.3% in the U.K. Growth hasn't been this strong since Q 2 2013, when it also stood at 0.4% in the wake of the region's longest-ever recession.

**BOE revise U.K. growth downwards** – Bank of England governor Mark Carney revised down the forecast for UK GDP growth to 2.6% in 2015 and expects CPI inflation to pick up only slowly from the end of 2015. This seemed to confirm market expectations that interest rates will only rise in mid-2016.

**China cuts interest rates again** – The PBOC ( People's Bank of China ) cut interest rates by 0.25% or 25 basis points following the announcement that Chinese CPI inflation had fallen to 1.5% in April. This is the third rate cut from the Chinese central bank in six months.

**The Story of the week:** Dining al dashboard is the biggest U.S. dining trend of recent decades and studies show that Americans now eat one in five of their meals in their cars. Hence the latest in U.S. must-have driving accessories, the 'Carbib' is an American invention: a 63/35 poly-cotton blend bib that protects those drivers.

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## Index Performances and Market Data

<b>Equity Markets (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
ISEQ	-3.0	0.6	14.7	35.8	16.8	19.6
FTSE 100	9.0	-5.6	6.0	18.7	0.7	7.8
Euro Stoxx 50	-0.1	-17.7	13.4	21.5	4.0	15.0
S&P 500	12.8	0.0	12.4	32.4	13.7	3.9
Nasdaq	16.9	-1.8	14.1	36.9	14.8	6.6
Nikkei	-3.0	-17.3	16.24	59.4	7.1	13.1
MSCI Emerging Markets	16.4	-20.4	13.8	-2.3	5.6	9.4
MSCI World	17.2	-7.62	12.1	26.3	10.4	6.2
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
US	3.3	1.9	1.7	3.0	2.2	2.2
German	3.0	1.8	1.4	1.9	0.5	0.6
UK	3.4	2.0	1.9	3.0	1.9	1.9
Japan	1.1	1.0	0.7	0.7	0.3	0.4
Ireland	9.1	8.4	4.5	3.4	1.3	1.3
Italy	4.8	7.1	4.6	4.1	2.1	1.8
Greece	12.5	31.7	12.7	8.2	9.6	10.5
Portugal	6.6	13.4	6.9	6.1	2.7	2.3
Spain	5.5	5.1	5.4	4.1	1.6	1.8
<b>Central Bank Rates (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
<b>Foreign Exchange Rates</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.14
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.73
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.57
<b>IPD All Property Return (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
Ireland	-2.4	-2.4	3.1	12.7	40.1	TBC
UK	14.5	8.1	2.7	10.7	17.8	TBC
US	14.8	14.5	5.3	11.4	11.2	TBC

\*Past performance is not a reliable guide to future performance